

*AMENDMENTS TO THE CLAIMS*

This listing of claims replaces all prior versions, and listings, of claims in the application.

1. (Currently Amended) A process for causing a stem cell to differentiate into a cell which expresses surfactant protein C (SPC), the process comprising the steps of: (a) culturing the stem cell to give an embryoid body, wherein the embryoid body formed in step (a) is exposed to differentiation factors; and (b) culturing the embryoid body in the presence of SAGM medium under conditions which cause it the embryoid body to differentiate into cells which express surfactant protein C.

2. (Original) The process of claim 1, wherein stem cells are grown initially in step (a) in suspension culture.

3. (Canceled)

4. (Previously Presented) The process of claim 1, wherein step (b) takes place in the presence of epidermal growth factor.

5. (Canceled)

6. (Previously Presented) The process of claim 1, wherein the stem cell is an embryonic stem (ES) cell.

7.-21. (Canceled)